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2008 OCT 27 A 10:46

October 24, 2008

**Via Federal Express**

Jeff S. Jordan  
Supervisory Attorney  
Complaints Examination & Legal Administration  
FEDERAL ELECTION COMMISSION  
999 E Street N.W.  
Washington, DC 20463

RE: Response to Opponent's Complaint  
Jim Risch for U.S. Senate Committee  
MUR 6086

Dear Mr. Jordan:

This correspondence is the Jim Risch for U.S. Senate Committee's response to the complaint filed by our opponent and his party, and assigned Matter Under Review (MUR) number 6086. As you may recall, I submitted a similar response to a previous complaint filed in May of 2008. I apologize if this introduction is repetitive, but we take compliance matters very seriously and I think it is worth repeating.

I was selected as the treasurer of this committee, not only due to my relationship with the candidate, but also due to my extensive legal career and experience with interpreting and applying federal rules and statutes. I have practiced law for over 34 years, and throughout my career I have dealt extensively with, and I am well versed with, the interpretation and application of federal law.

Throughout this campaign, this committee has developed and maintained detailed procedures to make every effort to comply with all regulatory rules and statutes, including but not limited to, the Federal Election Campaign Act of 1972, as amended ("the Act"), Title 11 of the Code of Federal Regulations ("C.F.R."), Titles 2 and 26 of the United States Code ("U.S.C.") and all Advisory Opinions issued by the FEC ("AOS") (all singularly referred to hereinafter as

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**"Rules and Regulations"). This committee employs and utilizes the professional services of attorneys, accountants and others formally trained in compliance matters. We regularly review published Advisory Opinions and subscribe to several electronic notices of various FEC activity.**

**On a weekly basis, we receive and review information and updates from the Federal Election Commission (FEC) via electronic mail. We have spent significant financial resources on state of the art compliance software and have trained several of our staff members in the use of this program. Additionally, every staff member is advised on the various legal requirements applicable to their positions. We have, on several occasions, made both oral and written communication with the FEC to ascertain the proper course of action when said course is not clear from the applicable rule or law. In addition to all this, we maintain voluminous detailed and accurate records of all transactions, including every contribution, as well as every expenditure. These records are open to you and your staff at any time.**

**As I previously stated, we take these matters very seriously. However, we also realize that we live and operate in a political world where one's motives may not always be what they seem. It is pertinent to note that this complaint was signed on September 22, 2008 and received by the Federal Election Commission on September 30, 2008. Yet the complaining party issued a press release with the identical complaint attached on August 1, 2008, sixty-one (61) days earlier. The press release was titled in a manner that attempted to tie Governor Risch to the indictment of Senator Ted Stevens in Alaska. A copy of the press release is attached hereto as Exhibit "A" and is available on the complainant's website.**

**The delay in filing the complaint makes it apparent that it was an afterthought to the attempt to garner free press for a candidate who is desperately behind in the polls. It is also important to note that these exact same parties filed another complaint which will be answered through separate correspondence and has been assigned Matter Under Review (MUR) 6087.**

**Nonetheless, given the importance of FEC compliance and enforcement, I will illustrate why we respectfully find this complaint completely without merit. The complaint by our opponent and his party does not cite any particular fact, nor advance any specific evidence of any wrongdoing by our committee. Rather, it sets forth several hypotheses, many of which are based upon inaccurate assumptions, assumptions which are easily disproved by a review of our committee finance reports available to the public.**

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The complaint specifically sets forth the following questions, which we have answered below:

1. ***Does the Risch campaign occupy space clearly separated from the Risch law firm?*** Yes. The committee occupies the entire second floor. No other tenants have any offices on this floor, and prior to the committee, it was unused space.
2. ***Does reimbursement for rent by the Risch campaign to the Risch law firm reflect the fair market value of the space?*** Yes. However, the committee does not "reimburse" any entity; it pays rent. The rent paid by the committee is an amount identical to every other tenant.
3. ***Do Jim Risch and/or his law partners benefit by the payment of rent to the Risch law firm?*** Minimally. The real estate holding company has not set the rent at an amount to generate significant income. Nonetheless, there are no rules and regulations prohibiting the alleged conduct.
4. ***Do Jim Risch and/or his law partners own the building occupied by the Risch campaign and the Risch law firm?*** Yes. Jim Risch owns a one-third interest in the real estate and the improvements thereon. Nevertheless, there are no rules or regulations prohibiting the alleged conduct.
5. ***Does the Risch campaign allocate overhead, such as support staff, telephones, office equipment, etc., between the campaign and the law firm?*** Yes. All overhead and expenses are appropriately allocated, as is clearly documented in each report of contributions and expenditures filed regularly with the Secretary of the Senate and the Federal Election Commission.
6. ***Does the failure to allocate such costs amount to campaign contributions to the Risch campaign?*** There is no alleged failure, and thus no contribution, as enumerated above.
7. ***Are such contributions allocated among the law firm partners?*** There are no contributions to allocate, as the committee pays for its appropriate expenses.

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Jeff S. Jordan  
Federal Election Commission  
October 24, 2008  
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In conclusion, as is apparent in the answers stated above, this committee is in complete compliance with all applicable federal rules and regulations. The reporting party cites no fact and offers no evidence to the contrary. This complaint appears to be nothing more than a political ploy to besmirch our candidate's name in an attempt to bolster a candidate critically behind in the polls. I appreciate your inquiry into this matter, and if necessary, I am available for further response at (208) 345-9929.

Very truly yours,

JIM RISCH FOR U.S. SENATE COMMITTEE

By

  
R. JOHN INSINGER, Treasurer

RJI  
Enclosure

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**Is Jim Risch also failing to properly disclose campaign finance in FEC reporting?**



**BOISE, Idaho – The Idaho Democratic Party has filed a complaint with the Federal Election Commission against the Risch for U.S. Senate Campaign regarding the undocumented use of his law office and law office personnel.**

**Lt. Gov. Jim Risch apparently uses his law firm's building for his campaign headquarters (Risch Goss Insinger Gustavel, 407 W. Jefferson St., Boise, Idaho 83702).**

**The Risch for U.S. Senate Committee's FEC report fails to list whether Risch is paying rent to himself or his law partners or whether the rent is costing fair market value, as required by the Federal Election Campaign Act.**

**The FEC report also fails to account for the allocation of staff, telephones, office equipment or office space, and the report fails to indicate whether these costs are contributions from the law firm to the campaign or whether the campaign is paying the law firm or some independent party. The FEC has ruled that all receipts and expenditures must be reported and Risch's report fails to do so.**

**The recent indictment of Sen. Ted Stevens of Alaska highlights what can happen when voters elect leaders who don't think the rules apply to them. Jim Risch should follow the rules, not flaunt them. Idaho needs ethical, responsible leaders who make a full, transparent accounting of their campaign activities.**

**Copy of FEC complaint below**

**August 1, 2008**

**Office of the General Counsel**

**Federal Election Commission**

**999 E Street, N.W.**

**Washington, D.C. 20463**

**Re: Jim Risch for U.S. Senate Committee**

**Exhibit "A"**

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According to the campaign reports filed by the Jim Risch for U.S. Senate Committee as required by the Federal Election Campaign Act, the office for Mr. Risch's campaign is located in the same office building as his law firm, Risch Goss Insinger Gustavel, 407 W. Jefferson St., Boise, Idaho 83702. The treasurer of the Jim Risch for U.S. Senate Committee is R. John Insinger, a named partner in Mr. Risch's law firm. The campaign manager for the Jim Risch for U.S. Senate Committee is the candidate's son, Jason Risch, also a lawyer in the Risch law firm.

Given these facts, questions arise whether the Jim Risch for U.S. Senate Committee's reports under the Federal Election Campaign Act accurately reflect the receipts and expenditures made by the Risch Committee. For example: Does the Risch Campaign occupy space clearly separated from the Risch law firm? Does any re-imbursement for rent by the Risch Committee to the Risch law firm reflect the fair-market value of the space? Do Jim Risch and/or his law partners benefit by the payment of rent to the Risch law firm? Do Jim Risch and/or his law partners own the building occupied by the Risch Committee and the Risch law firm? Does the Risch Committee allocate overhead such as support staff, telephones, office equipment, etc. between the campaign and the law firm? Does the failure to allocate such costs amount to campaign contributions to the Risch Committee? Are such contributions allocated among the law firm partners? Under previous opinions, the FEC has ruled that such receipts and expenditures including allocations must be made.

Therefore, the Idaho State Democratic Party, hereby requests that the Federal Election Commission undertake an investigation of the Jim Risch for U.S. Senate Committee based upon its information and belief that the reports filed by the Risch Committee with the FEC fail to comply fully with the provisions of the Federal Election Campaign Act as amended.

Sincerely,

Jim Hansen, Executive Director

Idaho Democratic Party